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# AGRICULTURAL COOPERATION

LEGAL, ECONOMIC, AND ORGANIZATION INFORMATION COLLECTED BY THE DIVISION OF COOPERATIVE MARKETING,  
BUREAU OF AGRICULTURAL ECONOMICS, UNITED STATES DEPARTMENT OF AGRICULTURE, WASHINGTON, D. C.

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June 9, 1928.

Vol. VI, No. 12.

## COOPERATIVE CREAMERIES AND CHEESE FACTORIES EXPANDING

The most common size for cooperative creameries in the United States in 1926 was a plant making from 100,000 to 200,000 pounds of butter annually. Twenty-seven per cent of the active creameries listed by the U. S. Department of Agriculture fell in that group. The number of creameries making from 200,000 to 300,000 pounds of butter each annually constituted 21 per cent of all the cooperative creameries and the creameries making less than 100,000 pounds each annually were approximately 11 per cent of the total number. Seventy-four per cent of all the cooperative creameries made less than 400,000 pounds of butter each during the year. The number of creameries making more than half a million pounds each was but 17.5 per cent of the total number; the creameries in this large-scale group, however, made 46 per cent of all the cooperative creamery butter produced in that year.

Fifteen per cent of the cooperatively produced butter in 1926 was made by 21.5 per cent of the creameries which were in the group making from 200,000 to 300,000 pounds annually; and 14 per cent of the butter was made by 14.5 per cent of the creameries which fell in the group making from 300,000 to 400,000 pounds annually.

Twenty-two per cent of the cooperative butter was produced by associations making over a million pounds each. These associations were but 4.5 per cent of the total number of cooperatively operated creameries.

Data collected for 1926 indicate that the cooperatively operated cheese factory is a much smaller enterprise than the cooperative creamery. Ninety per cent of all the cooperative cheese factories made less than 300,000 pounds of cheese each during 1926. The total quantity of cheese made by the 90 per cent was 74 per cent of all the cooperative cheese for that year. Less than three per cent of all the cooperative cheese factories made more than half a million pounds of cheese each. The total cheese made by this small percentage of factories was nearly 12 per cent of the total output of cooperative cheese for the year.

From the few figures available for the years preceding 1926 it is evident that both the cooperative creamery and the cooperative cheese factory are larger enterprises than formerly.

MINNESOTA CREAMERY HAS LONG RECORD OF SERVICE

The Litchfield Creamery Company, Litchfield, Minn., has a long record of service to its members as it was organized February 8, 1893. It receives milk and cream from its patrons, manufactures butter, sells cream, and also buys dairy supplies. The company was reorganized February 1, 1916. The last annual report, covering the year 1927, shows 140 shares of stock outstanding, of which 23 stockholders hold two shares each and 88 stockholders one share each. The shares have a par value of \$50 each.

Sales of dairy products for 1927 amounted to \$232,736, and supplies were sold to other creameries to the value of \$1,661, and to patrons to the value of \$657.

Figures selected from the annual reports filed by the United States Department of Agriculture, tell in part the story of the development of the organization:

Year	Butterfat received	Butter made*	Paid patrons for butterfat		Cost of making
			Amount	Av. price	
	(Pounds)	(Pounds)		(Cents)	(Cents per lb.,
1908	202,004	227,962	\$ 59,331	- -	1.68
1909	205,313	249,417	67,669	32.95	1.61
1910	217,617	262,910	74,371	34.00	1.70
1913	216,475	266,091	80,879	37.25	2.00
1914	211,917	262,738	73,265	34.57	2.00
1921	268,677	318,928	124,976	46.52	- -
1922	369,736	446,495	162,691	44.00	- -
1923	386,360	475,179	200,759	52.10	- -
1924	406,779	501,886	194,528	47.82	- -
1925	440,360	546,708	225,221	51.10	- -
1926	440,825	545,402	219,723	49.07	- -
1927	398,462	448,849	213,630	53.61	- -

\* Some years considerable quantities of butterfat were sold in cream and ice cream.

The company is affiliated with the Land O'Lakes Creameries, Inc., and last year sold 324,211 pounds of butter, out of the total manufactured, through the Land O'Lakes organization. This quantity represented all the butter shipped out of the community.

CHEESE FEDERATION SELLING PREFERRED STOCK

At the last annual meeting of the Wisconsin Cheese Producers' Federation, Plymouth, Wis., the members authorized the sale of preferred stock to the value of \$500,000 in \$50 shares, and the week of April 9 was set for beginning the drive. Recent reports state that more than 60 factories have secured subscriptions for \$1,000 or more. On April 28 the sales reported had reached \$151,000. The assurance that interest would begin as soon as money was received resulted in prompt payment by many subscribers.

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EVERY MEMBER A FIELDMAN

In its three years of service the Dairymen's Cooperative Creamery of Boise Valley, Caldwell, Idaho, has grown from 340 members to 1,800, all of whom are enrolled as "fieldmen." At the end of the first year, May 15, 1926, the records showed 938,103 pounds of butter had been made; the second year the quantity was 1,619,062 pounds; and the third year, 1927-28, 2,366,061 pounds. The floor space has been increased and the plant now has a capacity of 1,000 pounds of butter per hour. Members have secured 175 new contracts since January 1.

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MICHIGAN ASSOCIATION HANDLES SURPLUS MILK

Steady growth during the past year was reported at the annual meeting of the Michigan Producers' Dairy Company, Adrian, Mich., on April 5. Business transacted now amounts to more than \$1,000,000 a year.

This company was organized in 1921 to help take care of surplus milk, and in the flush season it handles from 100,000 to 150,000 pounds of milk a day. A new building has been erected and a new milk powder plant installed, with a capacity of 180,000 pounds a day. With this improved equipment the company will be able to manufacture the highest grade of milk powder and the additional returns on account of high quality are expected to pay for the improvements within a short time. Condensed milk is also made, but in comparatively small quantities.

At this time of year much of the milk is skimmed and the cream shipped to a number of cities. Some goes to cities in southern Michigan, some to Cleveland, and one car each week to Philadelphia. Changes in the lines of manufacturing are made from time to time to meet the demands of the market, with an effort to make the product which will bring the best price. About 350 to 400 cars of sour cream are received each week and made into butter.



### CREAMERY RECEIVES CREAM FROM TEN STATES

Ten states are now sending cream to the Farmers' Equity Cooperative Creamery, Orleans, Nebr., and its branch plant at Denver, Colo., and new stations are constantly being added to the list. The manager predicts that the Denver plant will turn out a million pounds of "Gold Mine" butter this year. The ten states contributing to the company's business are: Montana, Wyoming, North Dakota, South Dakota, Nebraska, Kansas, Texas, Colorado, New Mexico, and Missouri.

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### VERMONT CREAMERY NOW SELLS MILK AND CREAM

The Missisquoi Valley Cooperative Creamery, Inc., at Troy, Vt., has changed from a butter-making enterprise to a milk-marketing association, during the ten years it has been operating. When organized in 1918 it was concerned almost entirely with the manufacture of butter and made upwards of 300,000 pounds a year. During 1927 the milk sales amounted to \$69,793, the cream sales to \$42,844 and the butter sales to but \$7,208. Total sales were \$121,961, of which amount the producers received 82 per cent. The land, buildings, machinery and equipment were valued at \$11,174 at the close of 1927.

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### IOWA FARMERS START NEW CREAMERY

The Farmers' Creamery Association, Keosauqua, Iowa, is one of the few cooperative creameries in the southern part of the state. It was built in the spring of 1927 by the farmers of Van Buren County with the aid of the farm bureau, and opened for business July 20 with contracts covering 1,500 cows. About 15 producers have been added to the number of patrons every month.

The creamery represents some three years of preliminary work on the part of the county agent and others. The county agent estimated in the fall of 1924 that more than enough cream was being shipped out of the county to support a local creamery. In 1925 a definite survey was made to interest the producers, followed by a number of meetings in 1926 and the organization of an association and purchase of a site for the attractive and thoroughly modern building erected in the spring of 1927 at a cost of \$7,000. With equipment the property is valued at \$18,000. The building was paid for in cash soon after completion.

At present the creamery has 300 patrons, is receiving milk from 2,500 cows, and the butter output for the first year is expected to reach 250,000 pounds. Cream is collected twice a week in winter and three times a week in summer. Three routes are in operation.

SALES OF JUICE EXTRACTORS INCREASE FRUIT SALES

More than 46,000 Sunkist juice extractors have been sold by the advertising department of the California Fruit Growers Exchange, Los Angeles, at the present time. This means not merely selling the machines but also selling the fruit which the extractors are to turn into fruit juice for drinking. The management estimates that the sale of these extractors will mean sales of 1,500 cars of lemons and 4,500 cars of oranges during 1928 for drinking fountains where the fruit would not be used otherwise.

A smaller extractor, electrically driven, designed for home use only, is called the Sunkist Junior. More than 4,000 of these machines have been sold and about 1,200,000 reamers of various kinds for kitchen use have been distributed.

A monthly publication called the Sunkist Extractor News is sent monthly to owners of the extractors with recipes for new drinks, suggestions for improvement of service for fresh fruit drinks, and offers of display material.

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WISCONSIN COOPERATIVE HANDLES CHERRIES AND APPLES

Total gross fruit sales, including processed fruits, of the Door County Fruit Growers' Union, Sturgeon Bay, Wis., amounted to \$712,851 for the 1927 season. Of this amount, \$505,909, or 71 per cent, was returned to growers.

The quantity of fruit received by the association was the smallest in seven years. The total number of packages, counting each barrel of apples as three packages, was 327,013, compared with 636,584 for 1926; 390,136 for 1925; and 751,230 for 1924. The principal fruits handled by the association are cherries and apples. While the apples were sold fresh, a large fraction of the cherries were canned or were processed by the cold-pack method. Apple sales amounted to \$141,668, and strawberry sales to \$7,145, this fruit also being marketed fresh.

Growers' supplies to the value of \$113,357 were furnished members during the season.

Net earnings for the year, after allowing for depreciation on equipment and dividends on outstanding capital stock, amounted to \$2,441. The net worth of the association on February 1 was \$109,085.

The processing of the fruit was done by an affiliated organization, the Fruit Growers' Canning Company, which owns buildings and equipment to the value of \$149,345. This company had outstanding capital stock to the amount of \$124,300 on February 1. The net earnings of the company for the 1927 season were \$6,465.

### VEGETABLE ASSOCIATION IN WESTERN NEW YORK

Shipments by the Genesee-Orleans Vegetable Growers' Cooperative Association, Inc., Elba, N. Y., during 1927, included 835 cars of lettuce, 140 cars of onions, and 20 cars of carrots, a total of 995 cars. Sales values were as follows: lettuce, \$335,322; onions, \$38,723; carrots, \$3,771; and miscellaneous, \$183; a total of \$378,000. Of this, the growers received \$365,496, 97 per cent.

In addition to selling produce the association purchased for its members during the year, 504,554 tons of fertilizer, 303,500 lettuce crates, 47,083 onion sacks, 353 pounds of seed, 188 kegs of nails, also spray materials and other supplies. These goods cost the association \$63,746 and were sold to members for \$65,119.

An exhibit at the New York State fair won a prize of \$124.40 and loading cars for buyers brought in \$149. The gross income for the year amounted to \$443,713.

The association was organized in 1921 and on January 1, 1928, had 186 members, 8 of whom had been added during 1927.

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### GOOD SEASON FOR NEW ENGLAND CRANBERRIES

"Unusual steadiness of movement at exceptionally favorable prices" characterized the 1927-28 season of the New England Cranberry Sales Company, Middleboro, Mass., according to a statement of the president at the annual meeting held at Carver, Mass., April 10. By its knowledge of the size of the crop and its constant touch with market conditions, the sales agency, the American Cranberry Exchange, was a strong factor in maintaining the steady market and good prices.

The 1927 shipments equalled 213,833½ barrels, the fourth largest crop the company has ever handled. This fruit brought a net average price of \$11.43 per barrel at shipping points, making a net total for the growers of \$2,438,963, the largest amount the company has ever distributed in any one season. Payment was made promptly after the general shipment period, and all cranberries shipped before January 1, 1928, were settled for in full by January 15.

This company was formed in 1907 and reorganized in 1919. It now operates four large packing houses.

The new container, the quarter-barrel box, proved very satisfactory to the dealers, especially during the early part of the season when warm weather sometimes causes quick deterioration of the fruit. One-third of the 1927 output was shipped in this style of container, requiring 278,500 boxes.



TWENTY-ONE YEARS OF COOPERATIVE CRANBERRY MARKETING

Net sales of \$3,808,794 by the American Cranberry Exchange, New York City, for the 1927-28 season, were the second largest in the history of this cooperative marketing enterprise. The largest business in any one season was \$3,858,196 for the cranberry crop harvested in 1922 and sold during the 1922-1923 marketing season.

The 1927 crop was much smaller than the crops for the four preceding years, but average selling price, f.o.b. shipping point, was \$13.17 a barrel of 100 pounds, compared with \$7.04 a barrel for the 1926 crop, \$11.29 a barrel for the 1925 crop, \$9.96 for 1924 and \$7.95 for 1923.

This producers' association marketed 63 per cent of the 1927 cranberry crop east of the Rocky Mountains, 64 per cent of the 1926 crop, and 57 per cent of the 1925 crop.

Season	Barrels handled	Average price per barrel*	Per cent total crop handled**
1907-08#	143,646	\$ 6.33	34
1908-09#	110,274	7.83	34
1909-10#	207,014	5.15	36
1910-11#	188,062	5.63	35
1911-12#	235,696	7.13	53
1912-13#	259,254	6.60	57
1913-14#	278,670	6.45	59
1914-15	339,738	3.97	53
1915-16	259,780	6.32	57
1916-17	279,476	6.30	51
1917-18	154,812	10.40	56
1918-19	209,666	8.89	60
1919-20	331,032	7.86	60
1920-21	282,473	10.39	64
1921-22	244,771	13.54	66
1922-23	373,315	10.33	66
1923-24	##391,845	7.95	63
1924-25	##360,128	9.96	65
1925-26	314,083	11.29	57
1926-27	##461,278	7.04	64
1927-28	288,326	13.17	63

\* Per barrel of 100 pounds f.o.b. shipping points as reported by the association. \*\*East of Rocky Mountains. # Data from U. S. Department of Agriculture Bulletin No. 1109. ## Part of receipts sold in succeeding season.

The predecessor of the American Cranberry Exchange, the National Fruit Exchange, was formed in 1907 as a selling agency for producer selling companies organized in the producing regions of Massachusetts, New Jersey and Wisconsin. In 1911 the National Fruit Exchange and the Growers' Cranberry Company, made up of large growers in Massachusetts and New Jersey, combined to form the American Cranberry Exchange.

Since 1916 from less than \$15,000 a year to more than \$200,000 has been used for stimulating the demand for cranberries. Part of the annual expenditures has been used for newspaper advertising, some for magazine advertising, some for dealer service and the remainder for miscellaneous purposes, including research studies. The expenditures for 1926-27 included \$5,511 spent for advertising in England, and \$5,314 for losses on cranberry shipments to that country. During the 1927-28 season \$6,435 was expended for advertising by radio and \$2,000 for research studies.

The total advertising appropriations and the percentages of the totals used in different ways are listed below for the years since 1916:

Season	Total advertising expenditures	Per cent expended for specified service			
		Newspapers	Magazines	Retail service	Miscellaneous
1916-17	\$ 22,941	--	--	--	--
1917-18	14,911	--	--	--	--
1918-19	54,199	51	34	8	7
1919-20	122,698	69	22	2	7
1920-21	77,938	50	27	9	14
1921-22	73,564	50	30	3	17
1922-23	179,774	68	15	8	9
1923-24	194,539	60	17	8	15
1924-25	77,784	39	26	10	25
1925-26	153,720	42	34	16	8
1926-27	222,007	46	25	13	16
1927-28	127,340	34	35	14	17

The idea of serving cranberry sauce or jelly often during the cranberry season, was the basis of the newspaper and magazine advertising campaigns in connection with the marketing of the 1927 crop. In the opinion of the management the competitive fruits and vegetables now being offered during the cranberry season, make it "necessary to continue to bring cranberries before the public eye" with hope of persuading consumers to "eat more cranberries and still more cranberries."

OHIO ASSOCIATION HANDLES GRAIN, FEEDS AND COAL

Three hundred fifty farmers are being served by the Paulding Equity Exchange Company, Paulding, Ohio. Of this number 144 are stockholders and the remainder are patrons. The Exchange was organized June 27, 1917. At the close of 1927 there was capital stock outstanding to the amount of \$26,800. The buildings and machinery had a depreciated value of \$22,809 on December 24, last. The net worth of the company was \$39,551 at the close of the year.

Two elevators are operated. The elevator at the home station handles wheat, corn, oats, hay, coal, feed, tankage, seeds, bags and twine, and the substation elevator handles wheat, corn, oats, and coal.

Total sales for the year ending December 24, 1927, amounted to \$267,270, made up of sales for farmers as follows: wheat, \$29,204; corn, \$119,874; oats, \$64,934; hay, \$8,360. Sales to farmers were: feed and tankage, \$14,227; seeds, \$13,748; coal, \$11,621; bags and twine, \$5,302.

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SECOND INTERIM PAYMENT ON COARSE GRAINS POOLS

More than one and one-half million dollars was distributed on May 23 to members of the coarse grains pools of Saskatchewan and Manitoba, as a second interim payment on oats, barley, flax and rye. Of this sum the Saskatchewan coarse grains pool distributed \$780,361, and the Manitoba pool \$731,589.

When the grain was delivered last fall the growers received advances of 40 cents per bushel on oats, 50 cents on 3 C.W. barley, 70 cents on 2 C.W. rye, and \$1.50 per bushel on No. 1, N. W. flax. In January they received an interim payment of 15 cents per bushel on all grades of barley and rye and 10 cents on all grades of oats. In March 15 cents per bushel was paid on flax. The May distribution amounted to 8 cents on oats, except a few of the lower grades, and 10 cents on all grades of barley, flax and rye. The growers have now received 58 cents on oats, 75 cents on barley, 95 cents on rye, and \$1.75 on flax, basis Fort William.

Saskatchewan's share of the May distribution, \$780,361, represented \$276,082 on 3,451,031 bushels of oats; \$173,319 on 1,703,196 bushels of barley; \$101,217 on 1,012,178 bushels of flax; and \$229,741 on 2,297,418 bushels of rye.

Manitoba growers received \$731,589, as follows: \$50,044 on 625,555 bushels of oats; \$587,861 on 5,878,616 bushels of barley; \$27,473 on 274,739 bushels of flax; and \$66,210 on 62,100 bushels of rye.



THIRD INTERNATIONAL WHEAT POOL CONFERENCE

The subjects for the several sessions of the Third International Wheat Pool Conference, to be held at Regina, Sask., June 5, 6 and 7, are, Handling facilities for producers' cooperatives; Necessity for cooperation, Cooperative marketing in the United States and Canada; Grain marketing policies and practices; Organization problems and policies. The United States cooperatives will be represented on the program by officers of large-scale associations marketing wheat, dairy products, cotton, and livestock, also by a representative of the United States Department of Agriculture, and of the North Dakota Agricultural College.

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ALBERTA POOL BUILDING ELEVATOR AT VANCOUVER

A terminal elevator with a capacity of 2,500,000 bushels, is under construction at Vancouver, B. C., by the Alberta Wheat Pool Elevators, Ltd., a subsidiary of the Alberta Cooperative Wheat Producers, Ltd., Calgary. More than 600 men are at work on the building which is to be ready to handle wheat by September 1. The new structure will be thoroughly modern in every way and will be equipped to unload 18 cars of grain per hour. Three railroad tracks will run into the elevator and three automatic car unloaders will be installed. The yardage space will accomodate 300 cars at once.

The workhouse is to be 196½ feet high and 79 feet wide. Forty-seven tanks, each 123 feet deep and holding 35,000 bushels, will provide the main storage while further space will be provided by 150 bins located between these tanks. Equipment for cleaning grain will have a capacity of 1,600 bushels per hour and that for drying grain, 1,000 bushels per hour.

The dock will be 1,409 feet long, with facilities for loading three ships at one time. At this point the water is 35 feet deep at low tide.

When this elevator is finished the Alberta Wheat Pool will have terminal facilities for 5,300,000 bushels on the Pacific Coast, of which capacity 4,050,000 bushels will be at Vancouver.

In the fall of 1928 the Canadian Wheat Pools will have 11 great terminal elevators in operation, as follows: one at Prince Rupert, two at Vancouver, three at Fort William, four at Port Arthur, and one at Buffalo. One at Port Arthur is now being built by the Saskatchewan Co-operative Wheat Producers, Ltd.

Eighteen country elevators are now under construction in Alberta for the Alberta Pool Elevators, Ltd. Over 300 men divided into 14 crews are in the field building and repairing association elevators. Eight country elevators were purchased recently and the total number now under operation or construction is 216.



MINNESOTA FARMERS SERVED BY OWN ELEVATOR

About 150 farmers in the neighborhood of Fisher, Minn., are served by the Farmers' Cooperative Elevator Company, which was formed in 1918. The company is organized with capital stock, divided into shares of \$25 each, on which dividends limited to 8 per cent per annum are paid. The association buys wheat, flax, rye, barley, and oats from its patrons, and sells to them, coal and binder twine, as will be noted in the tables below:

Year ending June 30	Grain handled (inventory and receipts)					
	Wheat and durum	Flax	Rye	Barley	Oats	Total
	(Bushels)	(Bushels)	(Bushels)	(Bushels)	(Bushels)	(Bushels)
1920	71,904	2,638	7,019	1,772	8,382	91,715
1922	126,984	8,125	7,691	9,006	9,827	*165,382
1923	135,817	4,514	32,022	22,916	2,549	197,818
1924	90,187	12,171	13,404	19,906	6,030	141,698
1925	155,353	22,108	20,006	38,893	12,082	248,442
1926	118,887	12,094	5,127	38,990	12,460	187,558
1927	126,540	14,829	7,546	47,458	3,407	199,780

\* Including 3,749 bushels of corn.

There has been a gain in the quantities of coal and binder twine sold to patrons since 1920. Net earnings have almost doubled during the eight years. Figures indicating the growth of the enterprise as measured by sales are as follows:

June 30	Grain sales*	Coal	Twine	Total sales*	Net earnings
1920	\$190,433	\$ 6,854	-----	\$197,287	\$ 7,393
1922	195,805	8,943	\$2,437	207,185	7,650
1923	166,451	7,369	2,698	176,518	2,940
1924	121,187	7,425	3,045	131,657	6,571
1925	286,381	8,990	2,936	298,307	8,832
1926	179,660	9,651	3,381	192,692	8,735
1927	203,462	10,403	4,458	218,323	13,774

\* Not including inventories at end of year.

The amount of capital stock outstanding has remained at approximately \$10,000 for the entire eight-year period. Net worth, however, has increased from \$18,960 on June 30, 1920, to \$29,400 on June 30, 1927.

A portion of the yearly net earnings have been used for patronage dividends to members. These dividends for the 1926-27 year amounted to 9 cents a bushel, according to the statement of the management.

MISSOURI FARMERS MAKE BIG SHIPMENT OF STOCK

Members of the Cole County Cooperative Market, Jefferson City, Mo., recently made one shipment of livestock which brought them a net sum of \$10,448. The shipment consisted of hogs, cattle, calves and sheep, and filled six cars. It was consigned to a cooperative terminal.

This shipping association is growing so rapidly that it has outgrown its accommodations and is planning to build an addition to its pens with arrangements for loading double-deck cars. This will be advantageous in loading cars to capacity without danger of overcrowding.

The association recently purchased a car load of twine for its members.

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COOPERATIVE LIVESTOCK MARKETING ON INCREASE IN OHIO

Nineteen per cent more pounds of livestock was marketed through the units of the Ohio Livestock Cooperative Association during the first three months of 1928 than during the first three months of 1927, according to a recent statement from the Columbus office of the association. The number of shippers increased from 15,648 for the first quarter of 1927 to 18,155 for the first quarter of 1928. The number of animals of each kind marketed and the percentage increase or decrease were as follows:

Animals	1927*	1928*	Increase or decrease
	(Number)	(Number)	(Per cent)
Hogs	72,690	107,935	48.5
Cattle	4,731	5,488	16.0
Calves	9,906	8,913	#10.0
Sheep	38,893	27,326	#29.7
Total	126,220	149,662	
	(Pounds)	(Pounds)	
Weight	25,435,311	30,439,057	19.6

\* January, February and March.

# Decrease.

### PATRONAGE REFUND TO ALFALFA GROWERS

A patronage refund of \$22,234 was made by the Riverside Alfalfa Growers' Association, Riverside, Calif., for the business year ending March 1, 1928. Total sales for the year, including freight and cartage, were \$361,069. A deduction amounting to \$38,804 was made for operating expenses. Earnings in connection with marketing activities amounted to \$4,720, which deducted from operating expenses reduced the expenses to \$13,480. Of the original deduction an amount equal to 25 cents a ton was placed in a reserve.

The larger part of the alfalfa marketed is sold for feeding purposes, although the poorer grades are sold for fertilizer. The tonnage handled during the past six years has been as follows: 1922, 7,248 tons; 1923-24, 10,404; 1924-25, 9,589; 1925-26, 10,325; 1926-27, 13,274; 1927-28, 15,768.

A continuous membership contract has been signed by the members. The association was formed in 1921 and serves 89 alfalfa producers.

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### WALNUT ASSOCIATION PLANS SPECIAL ADVERTISING IN FOUR CITIES

The value of branding and advertising "Emerald" brand walnuts is to be determined by the California Walnut Growers' Association. Los Angeles, by a special advertising test covering three years. This action is taken at the request of growers in districts where production runs largely to the Emerald quality.

Some of the main features of the program outlined are as follows: (1) the test is to be of three years' duration, (2) branded Emeralds are to be put on the market in St. Paul, Minneapolis, Buffalo, and Birmingham, (3) an amount is to be spent for local advertising approximating the amount per bag spent for advertising Diamond walnuts in a national way; (4) advertising is to be done through a different agency than that used for advertising the Diamond brand; (5) all branding of Emeralds is to be done at the Los Angeles plant; (6) the entire test to be carried on under supervision of a committee of the board of directors, such committee to be appointed by the president.

The three years' test was considered necessary to average varying crop, trade and buying conditions, as well as to permit any changes in the plan which might be found advisable. The four cities mentioned were selected because the distribution in those markets is confined largely to the cities themselves, and because during the past season the distribution in those markets was nearly even between Diamond and Emerald nuts.

This plan, it is believed, can be broadened quickly or by degrees to national size, or can be abandoned if Emeralds unfavorably affect the sale of Diamonds.



### EARNINGS BY WASHINGTON EGG MARKETING ASSOCIATION

The earnings and deferred payments of the Washington Cooperative Egg and Poultry Association, Seattle, for 1927 amounted to \$709,291. Of this amount \$105,402 was paid to member shareholders; \$231,321 was credited as a deferred payment; \$311,049 was the amount of the overcharge on feed for which shares of preferred stock were issued, which stock will subsequently be retired at par; and \$61,519 was credited to surplus retirement. Eventually all of the \$709,291 will go to the members of the organization.

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### FOUR YEARS' GROWTH OF POULTRY FEED ASSOCIATION

Four years' growth of the Poultrymen's Cooperative Milling Association, Los Angeles, Calif., an association affiliated with the Poultry Producers of Southern California, is shown graphically by a colored chart recently issued. Some of the figures are as follows: From January 1, 1924, to January 1, 1928, the number of stockholders increased from 179 to 782, a gain of 336 per cent; shares of stock outstanding increased from 9,185 to 24,332, 164 per cent; the volume of business grew from 16,458 tons to 45,106 tons, 173 per cent; the chickens fed on association feed numbered 410,000 on the former date and 1,120,000 on the latter. 173 per cent more; the real estate occupied by the home plant increased 550 per cent; total assets amounted to \$197,249 in 1924 and now have reached \$626,802; and dividends paid on \$100 worth of stock in the four years amount to 52 per cent.

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### NEW SOCIETIES IN MADRAS PRESIDENCY

A number of new cooperative societies were added to the list of the Madras Provincial Cooperative Union, Madras, India, during the year ending June 30, 1927, according to the report of the deputy registrar of cooperative societies. The figures are as follows:

	<u>June 30, 1926</u>	<u>June 30, 1927</u>
Provincial societies.....	2	2
Central banks .....	18	22
Trading unions.....	8	12
Local supervising unions.....	140	166
District federations .....	9	15
Non-agricultural primary societies.	29	52



PHILIPPINE COOPERATIVE ACT

During the past year the legislature of the Philippine Islands enacted a cooperative act similar in many respects to cooperative statutes that have been enacted in a number of the states. The act contains the following provision:

Nothing contained in the last preceding section shall authorize any association organized under this act to restrain trade by arbitrarily fixing or by unduly enhancing the price of any agricultural products. Any association violating the provisions of this section shall be deemed to have abused its powers, and shall have its charter subject to forfeiture.

L. S. Hulbert

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KANSAS COURT AWARDS LIQUIDATED DAMAGES

On April 7, 1928, the Supreme Court of Kansas decided the case of the Kansas Wheat Growers' Association v. J. C. Rowan, 266 P. 101, and that of the Kansas Wheat Growers' Association v. Clyde Rowan, 266 P. 104.

In each case the association sought to recover liquidated damages of 25 cents per bushel for wheat sold by the defendants to third parties, and in one case the association sought to enjoin the defendant from disposing of grain outside the association. In each case the defendant claimed that an agent of the association stated at the time that defendants were asked to sign marketing contracts that the association had borrowed money from the War Finance Corporation for the purpose of loaning it to its members to pay their debts. It was further claimed that the association's agent had stated that if defendants became members of the association it would loan them money "at the rate of 6 per cent to pay debts" on which they were then paying interest at the rate of 8 per cent. On account of these representations defendants claimed they became members.

In the application for membership signed by each of the defendants appears the following:

The undersigned states that he has read the articles of incorporation, by-laws, original association agreement, and standard marketing agreement of the association and that he understands and approves them and accepts them as binding upon

him in all their terms. The undersigned agrees to perform all of the obligations of the by-laws and marketing agreement.

The association under its articles of incorporation had no authority to loan money to members in the manner alleged to have been stated by the solicitor of the association. On the trial of the case the jury found in favor of the defendants, thus accepting as correct the claim that the defendants became members of the association because of the promise of its solicitor that the association would loan them money to pay their debts. The association appealed both cases.

The Supreme Court of the state, in reversing the judgment of the lower court, in both cases pointed out that the association under its articles of incorporation had no authority whatsoever to loan money in the manner in question. Emphasis was also placed upon the fact that each defendant had signed a statement saying that he had read the articles of incorporation and thus had become aware of the fact that the association was not authorized to thus loan money. Under the circumstances the court held that each defendant had no right to assume that the solicitor of the association had authority to make the statement with respect to the loaning of money. In this connection the court quoted the following general rule:

Every person dealing with a corporation is bound to take notice of the limits of its powers as imposed by its charter or governing statute.

In one of the two Kansas cases under discussion the defendant executed a proxy over three years after he applied for membership in the association. In this case the court said:

The record does not disclose that the proxy actually was used and voted, but the fact that the defendant, almost three years after joining the association, executed the proxy, shows beyond question that he still claimed rights and benefits under and by virtue of his membership in the association. He thereby acknowledged his obligations to the association, and waived any right he might have had at that late date to rescind the contract.

In each of the cases the Supreme Court directed the trial court to enter judgment for the association for the amount of the liquidated damages involved.

L. S. Hulbert

MANY AUDITS MADE FOR COOPERATIVE ENTERPRISES

During the year 1927 the auditing department of the Cooperative Central Exchange, Superior, Wis., made 114 audits for cooperative stores and other societies. This was 17 more than in the previous year. Of these audits 101 were for 56 regular cooperative store societies, 3 were for two cooperative cheese factories, one for a cooperative creamery, 4 for two cooperative newspaper and publishing houses, 2 for a cooperative savings bank, and one for a cooperative buying club. The director of the department also gave instruction in bookkeeping at three different cooperative courses, and the department handled numerous income tax cases, in addition to much advisory work by correspondence. Two auditors and two assistants make up the regular personnel of the department. Extra help is employed occasionally.

Sales of the societies whose records were checked reached a total of \$4,813,164 last year. The average auditing charge per thousand dollars sales was \$1.50, or 10 cents more than in 1926.

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MANITOBA COOPERATIVE WHOLESALE REPORTS GOOD START

After considerable preliminary work the Manitoba Cooperative Wholesale Society was formed and incorporated on November 16, 1927. At the first annual shareholders' meeting, held at Brandon, February 15, 1928, officers were elected and the decision was reached to open an office in Winnipeg. For the present the business is to be limited to carlot buying for member associations. Cooperative associations properly incorporated under the laws of the province may become members of the wholesale society by purchasing one share of stock at \$10. The society does not deal with individuals.

A steady and healthy growth is reported. Thirty-five associations have become members and others are joining every week. The cash turnover to date has been approximately \$25,000. Twine, flour, coal oil, lubricating oil, gasoline, cement, salt, barbed wire, lumber, and clothing, are already on the list. Inquiries for other lines are also coming in and these lines will be added as rapidly as can be done safely.

Goods are bought at wholesale rates and shipped to the local units by car loads for cash, the usual broker's discount being charged by central. The units charge as nearly as possible the "going price." At the end of the year any surplus will be refunded to the units by the central organization and by the local units to their members.



REPORTED BY THE ASSOCIATIONS

Manitoba hay growers are planning to pool and sell their product through a province-wide organization to be known as the Manitoba Co-operative Hay Growers, Ltd. A provisional board of directors has been chosen and application made for a charter.

Wool to be marketed through the Wisconsin Equity Wool Growers' Association, Cylon, Wis., is being assembled at eight points preparatory to forwarding to the eastern markets. The association pays the freight on clips to the assembling points.

Having attained the ripe age of twenty-one years, the International Cooperative Bulletin, published monthly in London by the International Cooperative Alliance, has changed its name and hereafter is to appear as the Review of International Cooperation.

Wool growers of Queensland, Australia, had delivered 3,500,000 bushels of wheat to the pool on April 4, according to a statement by the manager of the State Wheat Board. This quantity was delivered by 3,180 producers. Some wheat was still coming in.

A manuscript entitled "The Farmers' Union, What it is and what it is doing" has been approved for publication in booklet form by the board of directors of the Farmers' Educational and Cooperative State Union of Nebraska. The manuscript was the work of L. S. Herron, editor of the Nebraska Union Farmer, Omaha.

The first cooperative association to be formed in the Philippine Islands under the new cooperative act is the Philippine Cooperative Livestock Association which plans to market livestock cooperatively and promote the livestock industry in the Islands. This organization was registered on March 28 and incorporated for a period of fifty years.

A member of the Adams County Shippers' Association, Quincy, Ill., recently broke the records for individual shippers by sending six cars of cattle and six cars of hogs in one day to the Chicago Producers' Commission Association. The lot included 109 head of cattle, averaging 1,398 pounds; 287 hogs averaging 374 pounds, and 28 averaging 308 pounds.

The Cooperative Union of Canada is to hold its annual congress at Lloydminster, Sask., June 26 and 27. Representatives are expected from the International Cooperative Alliance and from the English and Scottish Cooperative Wholesale Societies. Non-affiliated cooperative stores and other cooperatives handling merchandise are invited to send representatives to the meetings.



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- Dean, Frank C. The Ohio Wool Pool: It Saves a Nickel a Pound and Improves the Clip. American Sheep Breeder and Wool Grower, Chicago, Ill., May, 1928, p. 6.
- Dunning, George F. Cooperation is Ruling Spokane Egg Market. Washington Farmer, Spokane, Wash., May 24, 1928, p. 3.
- Johnson, E. B. Milk Marketing Again. American Agriculturist, New York City, April 28, 1928, p. 12.
- Jones, J. W. The Member and His Cooperative. Nulaid News, San Francisco, Calif., May, 1928, p. 5.
- Judd, C. Wheat Pools in Australia: Victoria and New South Wales Are Working for a Compulsory Wheat Pool. The Scoop Shovel, Winnipeg, Man., May, 1928, p. 5.
- McPhail, A. J. Get Every Bushel of Saskatchewan Grain Under Pool Control. (Radio address) Western Producer, Saskatoon. Sask., May 24, 1928, p. 18.
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- Patch, Gifford, Jr. Functions of the Exchange. Michigan Potato Growers Exchange, Cadillac, Mich., May 20, 1928, p. 1.
- Reeves, Earl. The Farmer Hires a Salesman. American Review of Reviews, June, 1928, p. 633.
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